

SENATE BILL 15

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SB 462/98 - FIN

2003 Regular Session
3r0225

By: **Senator Ruben**

Introduced and read first time: January 10, 2003

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Insurance Policies - Cancellation or Nonrenewal Notices - Mailing**
3 **Requirements**

4 FOR the purpose of requiring insurers that intend to cancel or refuse to renew certain
5 policies to provide the policyholder certain notice of cancellation or nonrenewal
6 by certified mail, return receipt requested; and generally relating to the mailing
7 of notice requirements when insurance policies are canceled or not renewed.

8 BY repealing and reenacting, with amendments,
9 Article - Insurance
10 Section 27-601(c) and (d) and 27-605(c)(1) and (d)
11 Annotated Code of Maryland
12 (2002 Replacement Volume and 2002 Supplement)

13 BY adding to
14 Article - Insurance
15 Section 27-610
16 Annotated Code of Maryland
17 (2002 Replacement Volume and 2002 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article - Insurance**

21 27-601.

22 (c) (1) At least 45 days before the date of the proposed cancellation or
23 expiration of the policy, the insurer shall cause to be sent to the insured, by
24 [certificate of mailing] CERTIFIED MAIL, RETURN RECEIPT REQUESTED, a written
25 notice of intention to cancel for a reason other than nonpayment of premium or notice
26 of intention not to renew a policy issued in the State.

27 (2) Notice given to the insured by an insurance producer on behalf of the
28 insurer is deemed to have been given by the insurer for purposes of this subsection.

1 (3) Notwithstanding paragraph (2) of this subsection, no notice is
2 required under this section if the insurance producer has replaced the insurance.

3 (d) At least 10 days before the date an insurer proposes to cancel a policy for
4 nonpayment of premium, the insurer shall cause to be sent to the insured, by
5 [certificate of mailing] CERTIFIED MAIL, RETURN RECEIPT REQUESTED, a written
6 notice of intention to cancel for nonpayment of premium.

7 27-605.

8 (c) (1) At least 45 days before the proposed effective date of the action, an
9 insurer that intends to take an action subject to this section must send written notice
10 of its proposed action to the insured at the last known address of the insured:

11 (i) for notice of cancellation or nonrenewal, by certified mail,
12 RETURN RECEIPT REQUESTED; and

13 (ii) for all other notices of actions subject to this section, by
14 certificate of mailing.

15 (d) At least 10 days before the date an insurer proposes to cancel a policy for
16 nonpayment of premium, the insurer shall cause to be sent to the insured, by
17 [certificate of mailing] CERTIFIED MAIL, RETURN RECEIPT REQUESTED, a written
18 notice of intention to cancel for nonpayment of premium.

19 27-610.

20 NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, IF AN INSURER
21 INTENDS TO CANCEL OR REFUSE TO RENEW A POLICY ISSUED OR DELIVERED IN THE
22 STATE, THE INSURER SHALL CAUSE TO BE SENT TO THE INSURED, BY CERTIFIED
23 MAIL, RETURN RECEIPT REQUESTED, A WRITTEN NOTICE OF INTENTION TO CANCEL
24 OR NOT TO RENEW THE POLICY.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
26 effect October 1, 2003.